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SUBJECT: MEDIA REACTIONS ON CAFTA, JUNE 23, 2003

1. Op-ed by Moises Starkman in Tegucigalpa-based moderate daily "El Heraldo" on 6/23 entitled "CAFTA opportunities". "The conflicts that the CAFTA negotiations have faced show, once again, that we as Central Americans have not learned to work taking into account our common regional interests."

"Unfortunately, CAFTA does not expect to solve the problems that the Central American integration process has experienced for so many years. we should not waste the opportunity to sign CAFTA and promote through it higher levels of investment, production, exports and employment in the region, as well as access to better and cheaper products."

"We are confident that the Honduran delegation will be able to defend the national interests during these negotiations. We are optimistic that they will listen to the proposals and suggestions from the private sector, workers and consumers, who should be the basis of this agreement."

2. Editorial in San Pedro Sula-based liberal daily "La Prensa" on 6/23 entitled "The failures of CAFTA". "The facts are more eloquent than words and they show that the Fifth round of CAFTA negotiations carried out in Tegucigalpa were a complete failure."

"One of the factors that caused this fiasco was the lack of vision of the U.S. lead negotiator Regina Vargo, or perhaps of her superiors, that led to an absurd offer from Washington to act as if the Generalized System of Preferences and the Caribbean Basin Initiative do not exist, proposing that trade with the U.S. should start from scratch which could mean a step back for Central America in certain productive areas, such as textile production."

"To go forward, it is crucial to find out what Washington wants from this negotiation, to offer the U.S. something they are interested in, and put an end to the stagnation of the process."

3. Editorial in San Pedro Sula-based liberal daily "Tiempo" on 6/23 entitled "Fifth Round of CAFTA negotiations". "These negotiations should not only be limited to trade, CAFTA should become a mechanism to solve the basic problems of the relationship between Central America and the U.S."

". CAFTA should help to create a value-added production zone and employment in Central America to prevent the current massive flows of illegal migration to the U.S. Furthermore, it ought to eliminate the socio-economic problems that favors other unlawful activities such as narco trafficking, terrorism and organized crime."

4. Article in "La Tribuna" on 6/23 entitled "The U.S. wants to make a double play". According to Medardo Galindo, president of the Federation of Agricultural Exporters of Honduras, many Honduran products would be exported to the U.S. tax-free since they are included in the Caribbean Basin Initiative, but if CAFTA was approved as it is now, they would be paying taxes in a range of 11 to 29 percent.

5. Article in "La Tribuna" on 6/23 entitled "CAFTA proposals were unrealistic". The Honduran congressman and private entrepreneur Gilberto Goldstein stated, "We're like small fish facing a shark. An agreement was trying to be signed when the region is not even united, making any proposal unattainable. My suggestion is that the Central American presidents find a form of unity within the isthmus in order to deal with the first and biggest economy of the world."

6. On 6/23 "La Tribuna" featured an article entitled "Chicken in pounds". "During the fifth Round of CAFTA negotiations, there were discussions on the possibility of exporting and importing chicken breasts and legs between the US and the region. The trading of chicken parts would fall under the 'sensitive' category, along with fruits, grains,

pork and beef."

Palmer